



SUGAR CANE GROWERS COUNCIL

SERVING THE CANE GROWERS OF FIJI



2021 ANNUAL REPORT



SUGAR





Sugar Cane Growers Council

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21st August, 2023

The Minister Hon. Charan Jeath Singh
Ministry for Multi Ethnic Affairs and Sugar Industry
Level 04 Bali Tower 318 Toorak Road Suva
P O Box 1292
Suva

Dear Sir,

RE: Annual Report 2021

Pursuant to the requirements of Part IV Section 54 (3) of the Sugar Industry Act, 1984 together with Section 28 Sugar Industry (Amendment) Act 2015, we are pleased to submit the Annual Report on activities and audited financial accounts for the year ended 01st August 2020 to 31st July, 2021.

We wish to take this opportunity to thank you and the Government for the support and assistance to Cane Growers.

.....
Vimal Dutt
Chief Executive Officer

Serving The Cane Growers Of Fiji

ALL CORRESPONDENCE TO BE ADDRESSED TO CHIEF EXECUTIVE OFFICER

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CHAIRPERSON'S ADDRESS

Dear Stakeholders

I am pleased to present the 2021 Annual Report of the Sugar Cane Growers Council (**'Council'**) and grateful to be able to report to the Government, the esteemed sugarcane growers and the industry stakeholders interested in the affairs of the Sugar Cane Growers Council.



The Council consisting of two Commissioners, two members each from the Penang/Rarawai Cane Producers Association and Labasa Cane Producer Association and the Management worked together in the interest of sugarcane growers and delivered timely services to them. Unfortunately, the two members from the Lautoka Cane Producer Association were not represented during the financial year period due to the Association's deregistration by the FLOCERT Fairtrade (Fairtrade governing authority) for non-compliance issues.

During the financial period, the country including the sugar industry faced challenges of COVID 19 due to restricted movements. However, compared to other sectors, the sugar industry did not face extreme challenges except difficulties faced by farmers in timely delivery of their cash crops to the markets, which they grew for additional income, inability to hold gang meetings, hindrance in timely repairs and maintenance of their trucks and mechanical harvesters and securing labourers for timely cane harvesting. Despite this, the sugar industry provided income from cane farms to many families affected by COVID 19, including those that got unemployed after closure of borders and hotels.

The Council is extremely grateful to the Government for its continued support to the sugar industry, especially for maintaining the guaranteed cane payment of \$85 per tonne despite the financial constraints of the Government. The Council received a total \$600,000 as budgeted by Government for Council's administration and operation costs. The Government also stepped in to assist the cane growers in Labasa with free weedicides and fertilizer for crop rehabilitation and repairs to rail network that was damaged by Tropical Cyclone Yasa in December 2020 and Ana in February 2021.

Council's functions include but not limited to creating harmony among the growers, assist in addressing their grievances, providing goods and services relating to their farms and farming activities, educating, supporting, and monitoring the implementation of Government funded grants and subsidies programs. The Council together with the management and staff has successfully implemented its annual plan with limited disturbances and achieved key milestones, such as supplying \$2.39 million worth of weedicides to 11,622 active growers,

provided different legal services to 2,899 growers, was actively involved in negotiations of lease renewal for Seaqaqa growers and undertook numerous grower consultations.

As a minority shareholder of the South Pacific Fertilisers Ltd, the Council received a dividend of \$84,377 in 2021.

The growers in Fiji are facing numerous challenges, such as labour shortages, burnt cane, high cane production cost, exorbitant harvesting and cartage, impact of climate change such as cyclones, flooding, sea water intrusion, waterlogged farms, and drought. While the 2020 season was favourable with a total production of 1,729,281 tonnes of cane, the 2021 season will see a major drop in production due to damages caused by Tropical Cyclone Yasa and Ana. To ease some financial burdens of the growers, the Council has encouraged all growers to become part of the \$10,000 Micro-Bundled insurance package that requires an annual premium of \$52. During the financial year, a total of 85 sugarcane families benefitted from this insurance product. The Council is grateful to the Government for initiating the engagement of inmates to assist in cane harvesting and reduce burden of labour shortages. The Council will continue to work with the Government and stakeholders to support growers in increasing production and minimize burden of challenges. The Council and the Management will also review existing policies and develop new policies to operate efficiently, enhance capacity development, and improve service delivery to growers.

The 2020-2021 financial year was a success with teamwork and cooperation from the Council members, management and staff, stakeholders including Fiji Sugar Corporation, Sugar Cane Growers Fund, Sugar Industry Tribunal, Sugar Research Institute of Fiji, South Pacific Fertilisers Ltd, our external auditors; Ernst & Young, and most importantly, the Ministry of Sugar Industry for funding. I wish to extend my appreciation and hope to further strengthen Council's relationship with all these stakeholders.

Thanking You



Ms. Reshmi Kumari
Chairperson

CORPORATE MATTERS

ESTABLISHMENT OF THE COUNCIL

There is hereby established a council to be called the Sugar Cane Growers' Council, which shall be a body corporate with perpetual succession and a common seal, with the capacity to enter into contracts and to sue and be sued in its corporate name, and with power to acquire, hold and dispose of real and personal property and generally to do all such acts and things as are necessary for or incidental to the performance of its functions under this Act or any other written law, including the raising of loans.

SUGAR CANE GROWERS COUNCIL

Sugar Cane Growers Council (SCGC) is the sole grower representative organization committed to effective service delivery, representation and leadership to ensure long term viability of growers in the industry. SCGC was established under the Sugar Industry Act, 1984 with specific functions to protect and promote the interests of registered cane growers in Fiji. In accordance with this, the vision of the SCGC is "To be a proactive grower representative organisation striving to serve the interest of cane growers in Fiji".

Council district offices are located across the cane belt areas in the 8 districts. The Head Office is situated at 75 Drasa Avenue, Lautoka.

Initially SCGC's operations were fully funded by the cane growers themselves through a levy deducted from their cane proceeds. Since the year 2016, The Government provides an annual grant to SCGC to meet part of its operating and administrative expenses, relieving the growers of the burden.

The SCGC will continue to protect and promote the livelihood of their growers through innovative measures that will focus mainly on grower welfare, timely redress to grower grievances, negotiation and support towards increasing farm yield and subsidizing cost of production, education and advocacy.

VISION

To Be The Pro-Active Grower Representative Organization, That Strives To Serve The Interests Of The Cane Growers Of Fiji.

MISSION

The Sugar Cane Growers Council Is Committed To Providing Effective Representation, Leadership And Services To The Cane Growers In Order To Secure Long Term Viability For Them In The Industry.

OBJECTIVES

- a) To effectively represent the interest of the cane growers as stakeholders in all aspects of the industry.
- b) To actively pursue and encourage the development of a sustainable and viable sugar industry.
- c) To take necessary measures to provide services to the cane growers to better facilitate their cane farming activities.
- d) To explore ways and means to reducing cost and increasing productivity and yield and adopting best practice methods which would encourage and facilitate this for the cane growers through better utilization of their existing resources.
- e) To conduct research and collect data in respect of cane farming activities and other related areas.
- f) To inform and educate the cane growers and the community on the issues relating to cane farming and the industry.
- g) To represent the growers and make investment on their behalf in areas related to the activities of cane growing and sugar manufacture.
- h) To represent growers interest, both collectively and individually on matters relating to cane farming and their obligations to the industry and seek redress for their legitimate grievances through the appropriate authorities.

FUNCTIONS OF THE COUNCIL

The Council shall generally do all such things and take all such steps as it may consider necessary for the protection and development of the industry and of the interests of registered growers, and, in particular, to-

- a) Encourage and promote co-operation among registered growers and between registered growers and others engaged in the industry.
- b) Remove and obtain redress of all legitimate grievances of individual registered growers, of registered growers generally or of registered growers of particular sector, district or mill area.
- c) Provide registered growers with goods and services relating to the business of cane-growing and agricultural diversification.
- d) Establish, hold and administer funds for the benefit of registered growers.

- e) Encourage and promote research and education with a view to improving the efficiency and productivity of registered growers and to collect record and distribute information of value to registered growers.
- f) Perform such other functions as many are assigned to the Council by this Act, Master Award or any other written law.
- g) The current target group consists of about 16,843 growers who are registered at this moment.



COMPOSITION OF THE COUNCIL

(1) The Council shall consist of the following persons who shall be appointed by the Minister—

- (a) 2 elected representatives from each of the following cane producers' association—
 - (i) Rarawai and Penang Cane Producers' Association;
 - (ii) Labasa Cane Producers' Association; and
 - (iii) Lautoka Cane Producers' Association;
- (b) the Commissioner for the Western Division;
- (c) the Commissioner for the Northern Division; and
- (d) a representative of the Ministry of Sugar.

(2) The Minister shall appoint the chairperson of the Council

The Council consists of the following persons appointed by the Minister:

(a) Two elected representatives from each of the following cane producers' associations:

(i) Rarawai and Penang Cane Producers' Association

- i. Mr. Radha Krishna
- ii. Mr. Davendra Nath

(ii) Labasa Cane Producers' Association

- i. Mr. Ami Chandra
- ii. Mr. Abdul Samim

(iii) Lautoka Cane Producers' Association

Vacant

(b) The Commissioner for the Western Division

Mr. Mesake Ledua

(c) The Commissioner for the Northern Division

Mr. Uraia Rainima

(d) And a representative of the Ministry

Director Policy and Research – Ms. Reshmi Kumari [Chairperson]

COUNCIL MEMBERS



**RESHMI KUMARI
CHAIRPERSON**



**URAIA RAINIMA
COMMISSIONER NOTHERN DIVISION**



**MESAKE LEDUA
COMMISSIONER WESTERN DIVISION**



**ABDUL SAMIM
LABASA CANE PRODUCERS ASSOCIATION**



**AMI CHANDRA
LABASA CANE PRODUCERS ASSOCIATION**



RADHA KRISHNAN
RARAWAI PENANG CANE PRODUCERS
ASSOCIATION



DAVENDRA NATH
RARAWAI PENANG CANE PRODUCERS
ASSOCIATION

EXECUTIVE MANAGEMENT



VIMAL SACHIN DUTT
CHIEF EXECUTIVE OFFICER



SUNIL DEO CHAUDHARY
GENERAL MANAGER OPERATIONS

CHIEF EXECUTIVE OFFICER'S REPORT

Year 2021 my first year in office. Indeed, a relatively demanding role and extraordinary year for the industry. Sugarcane crop remains a primary income source for most cane growers, whilst the mechanised farming activity provoked investment opportunities for growers forming cooperatives. Individuals directly or indirectly embracing investment in the sugar cane business through subsidiary commercial ventures within the industry.



Sugar Cane Grower's Council (SCGC) continues to deliver excellence in the best interest of growers with excellent support of stakeholders.

The year seemingly not so favorable whilst growers recorded a notable 18% decline in cane production compared to 2020 season. Cane farms suffered huge destruction from Tropical Cyclone Yasa in December 2020, affecting Northern division the extreme. Damages to dwellings and crops submerged with sea water entering the cane fields along coastal peripheries, an immediate loss to grower's income. Affected farms expected to progress in subsequent seasons, rehabilitation support package facilitated from Ministry of Sugar.

Although, pertaining industry matters limiting grower performance were radically addressed on regular intervals, few prevailing obstacles remains a challenge, such as climate pattern, unfavorable weather conditions, increasing harvesting & transport expenses and uncertain grower portfolio.

On record 11,622 growers actively contributed in producing 1.729 million tons of sugar cane with sugar production of 152,000 tons during the season.

In spite of efforts approximately 14,000 tons of cane remained unharvested considering underlying circumstances, avoidably a direct impact on grower's farm income. Establishing measures and awareness initiatives significantly achieved lesser stand over of cane in comparison to previous season.

Cane growers deserves the privilege cover of the micro bundled insurance provided by Fiji Care Insurance Limited. Council in outmost interest of grower's welfare also in view of prime safety protection, exercised its vested powers bestowed in the sugar industry Act, pledged for continuity of micro bundled insurance for active cane growers. Consequently, Sugar Industry Tribunal certified the annual premium deduction sourcing from grower's share of proceeds.

Successively, growers benefitted from the scheme with claims payout for death, funeral, house fire and personal accident.

Growers received a gross cane payment of \$85 per ton as minimum guaranteed cane price determined by the Government. Council acknowledges the fact that farmers are not in a position to sustain the fertilizer and weedicides price without the subsidies provided by Government.

Progressively, Sugar cane growers deserved an effective collaborative platform amongst the industry stakeholders at large. The inefficiencies within the system systemically marginalizes morale of grower's. Council, typically known for voicing the interest of growers made enormous efforts in upbrining the effective platform for growers, strengthened stakeholder relationship, participatory and representation on stakeholder boards.

The introduction of Fiji's first parametric micro insurance product for our cane growers was another milestone in securing safety to most vulnerable sector. The initiative is a game changer in providing affordable micro insurance assisting growers to recover quicker following a disaster. The scheme facilitated by pacific insurance and climate adaptation program, rolled out in the farming communities as a pilot project with collaboration with United Nations Capital Development Fund [UNCDF]. Establishment of information technology infrastructure was an integral portion of grant facility.

Research and development remains a priority for the council in parallel the core activities embedded in the outreach program with other key awareness package included financial literacy. The initiatives to promote long term savings for growers, council executed memorandum of understanding with Unit Trust Fiji [UTOF] as farmers investment scheme which offers potential annual growth on deposits.

Council is a financial member of World Association of Beet & Cane Growers [WABCGA] connecting with the global sugar development and prospects.

In anticipation to increase crop yield, Council supported the extension of cane planting date encouraging more cane planting as per the master award regulation.

I on behalf of staff and management wish to sincerely thank the Council members the industry institutions and stakeholders for great participation and inclusiveness to establish genuine prosperity of growers.



.....
Vimal Dutt
Chief Executive Officer

COUNCIL MEETINGS

The Council had 3 meetings during the financial year ended 31st July, 2021. The regular business of the Council during its meetings covers corporate governance, financial performance and risk management, business management and strategic matters. Council also deliberates on challenges and concerns raised by the growers and tries to find gracious resolution to develop sustainable sugar industry.

OUR PEOPLE

At the heart of success is a strong team with shared goals. We at SCGC set goals as a team and the individual drive and passion of each member is what preludes us to achieve those goals.

The operations of SCGC is managed by the Chief Executive Officer with the assistance of 25 staff members. The Governance of the council are led by our 9 members who are appointed by the Minister for Sugar.

The Council believes in investment in human capital and has been encouraging staffs to upgrade their academic and technical skills through attending workshops/ seminars or taking courses from the tertiary institutions and keeping up to date with advancements in their respective areas of expertise.

The Council composition is well balanced with significant and diverse mix of industry and field knowledge, technical expertise, intellect and passion for the sugar industry, thus allowing Council to effectively manage its operations.

SUGAR CANE GROWERS

The Sugar Industry has shaped the development of Fiji's economy for over decades, however, for the past 15 years, sugarcane production has been declining. The cane belt areas in Fiji is divided into 38 sectors and Sugar Cane Growers Council is the peak grower representative organization protecting and promoting the interests of registered cane growers in Fiji.

There are 16,864 registered cane growers, however close to 11,622 growers actively grow cane individually running small to medium family cane farms, with the majority producing less than 200 tonnes per year. The vast majority of the farms have a size of 4 hectares (10 acres), a legacy from the British colonial administration and the end of the indentured labour system in the 1920s. At this time, a plot of 4 hectares of land was leased to individual farmers, which was considered to be sufficient to support a farmer and his family working alongside him.

Over the years, many farmers and the next of kin moved to urbanized areas in the quest of easier and better jobs.

Most of the cane farms are managed by farmers of older generation who are above the age of 50 years. Growers cultivate the farms either by themselves or use hired labourers (casuals). However, scouting for labours to work on the farm has become extremely difficult or at times impossible. Grower's children i.e. most of the younger generations are university students assuming to secure white collar jobs in the urban areas.

Mechanization has been the new breath in its course encouraging growers forming cooperatives and investing in machinery for sugarcane cultivation and harvesting. SCGC has continued to advocate on mechanization and has provided necessary guidance and support to cooperatives and individuals showing interest to purchase farm machinery. Besides such initiatives and the importance of investments, small farm sizes and difficult terrains is hampering mechanization.

REGULATORY FRAMEWORK

The structure and the organization of the Sugar Industry in Fiji are extremely regulated, based on the Sugar Industry Act 1984. The main objectives of the Sugar Industry Act are to establish the various bodies which govern the industry. The relationship between the millers and growers has been the subject of the Master Award, which set out in great detail the rights and obligations of the two parties. In 2021, the total number of registered growers in the country was 16,864 with 1,758 number of cane harvesting gangs. Below is the summary of all mill area growers and gangs.

Growers contribute one third of annual operating costs of Sugar Research Institute of Fiji [SRIF] as per legislation.

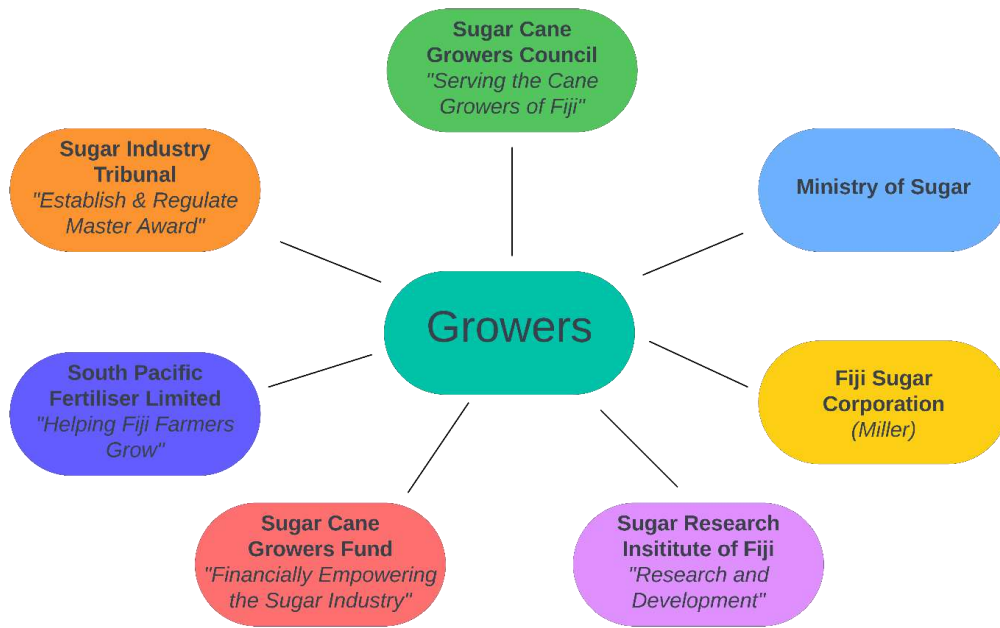
Growers has accessibility to affordable loans offered through Sugar Cane Growers Fund [SCGF]. Loans for upgrading standard of living with new farm buildings, investment in machinery and other farming related expenses are met by way of loans.

Establishment of cane farmers cooperative is essential to venture into mechanization and other investment collectively upbringing efficiency and community empowerment.

Forty eight [48] cooperatives are in operational across the cane belt comprising of 1436 grower members.

Mill	Lautoka	Rarawai	Labasa	Total
No. of Registered Growers	5,505	72,176	4,183	16,864
No. of Harvesting Gangs	512	684	562	1,758

GOVERNANCE OF THE SUGAR INDUSTRY



OPERATIONS

The Management of the Sugar Cane Growers Council takes pleasure in presenting its 2020/2021 Report.

CROP

A crop of 1,965,000 tonnes of cane was forecasted for the year 2020, and the actual crop harvested at the end of the season was 1,729,281 tonnes. Impact of below average rainfall on young plant cane and ratoon crop during peak growing period resulted in harvesting slightly lower crop than 2019 season which was 1,806,572 tonnes. Tropical cyclone Harold which affected Fiji in April 2020 also had a devastating effect and caused a decline in the crop.



Bullocks used for inter-row cultivation in ratoon cane



Young Ratoon Crop

2020 CROP FORECAST AGAINST ACTUALS

Mill	2020 Pre-Crush Estimate	2020 Season Actual Harvest
Lautoka	500,000	418,149
Rarawai	765,000	639,816
Labasa	700,000	671,316
All Mills	1,965,000	1,729,281

The crop forecast for 2021 season is approximately 1.43m tonnes from an area of 36,249 hectares with an expected crop yield of 39.5 tonnes per hectare. This is due to impacts of TC Yasa and TC Ana on the crop in both Vanua Levu and Viti Levu. The strong winds, tidal waves and the floods had caused significant devastation to the cane crop. Growers whose fields were inundated with sea water during the cyclone had lost the entire crop. Above average rainfall and prolonged wet season had also affected the crops in the flats and had also hampered field operations. The overall fertilizer and herbicide uptake was good; however, many growers have lacked proper farm husbandry practices which has left fields infested with weeds.



Crop Damaged by Cyclone

Sea Water Intrusion

The table below shows the cane planted in respective mill areas for harvest in 2021 season:

Mill	Area Planted (Ha)
Lautoka	537
Rarawai	922
Labasa	1,093
Total	2,552



Mechanical Cultivation of Plant Crop



SEO Monitoring Cane Planted Under CPG

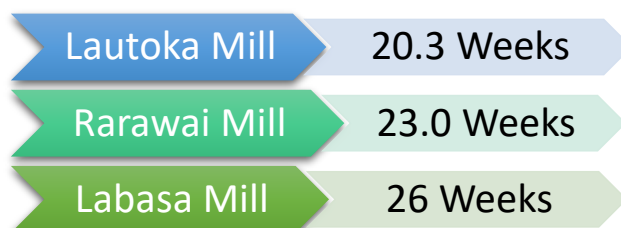
2020 CRUSHING SEASON

The 2020 crushing season for three mills commenced between 10th June to 10th July 2020 and after processing 1.72m tonnes of cane, the mills terminated crush in late November. However, there was huge challenge to the growers as well as the millers for crushing season preparations due to restrictions imposed in view of COVID-19 Pandemic. To facilitate growers request pertaining harvesting preparation, Council collaborated with relevant authorities to obtain necessary approvals and guidance.



Ratoon Crop Cultivation

The season length for each mill was as follows:



The cane supply to the factories remained satisfactory for the entire season; however, growers in all mill areas continued to face labour shortage issues. The demand from manual cutters continued to escalate as the harvesting season progressed into the last quarter and nearing termination dates for the mills and forced growers to incur additional costs.

Growers also continued to encounter numerous challenges such as poor rail transport performance, milling inefficiencies and recurrent adverse weather conditions during the crushing season. Council continued with grower representation in the bid to find speedy and amicable resolution to ongoing challenges faced by growers. Also Council provided mediation services to address growers' grievances and to provide timely redress to ensure minimum to zero disruption in field operations.



Lorry Mode of Cane Delivery



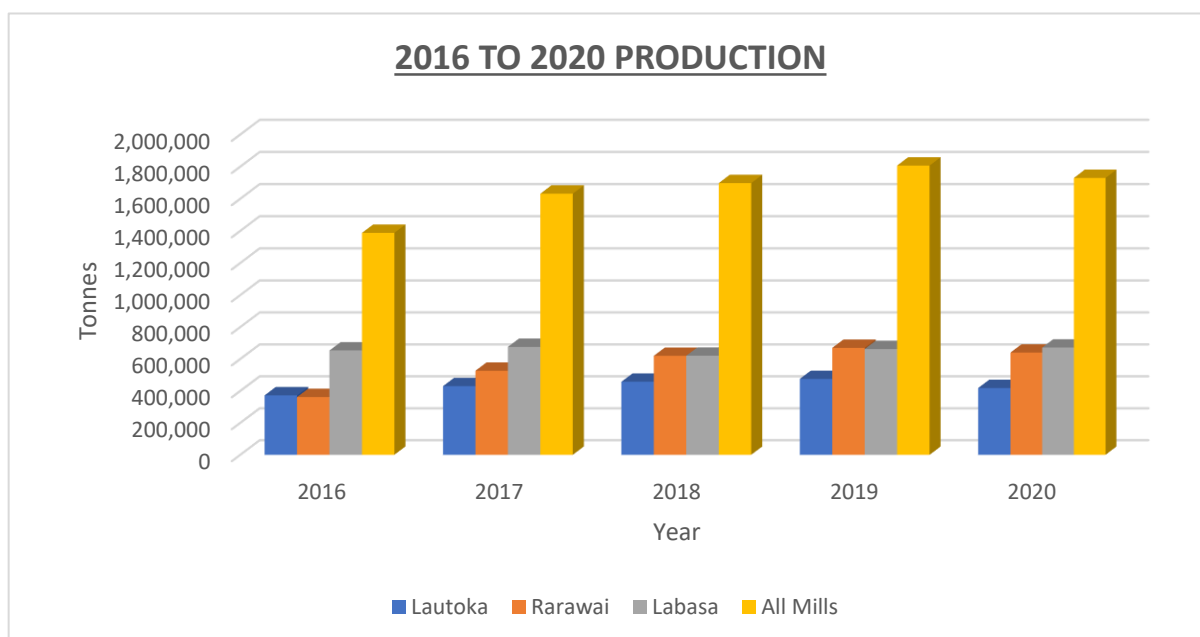
Rail Mode of Cane Delivery

2020 SEASON CANE AND SUGAR PRODUCTION IN COMPARISON TO LAST 5 YEARS

Tons	2015	2016	2017	2018	2019	2020
Cane	1,844,525	1,387,034	1,631,301	1,697,370	1,806,379	1,729,181
Sugar	221,933	139,502	180,388	160,206	168,702	151,590

FIVE YEARS CROP PRODUCTION

Mill	2016	2017	2018	2019	2020
Lautoka	372,289	429,569	457,481	474,914	418,149
Rarawai	361,615	526,111	619,571	669,729	639,816
Labasa	653,350	675,741	620,335	661,929	671,316
Total	1,387,255	1,631,421	1,697,386	1,806,572	1,729,281



STANDOVER CROP IN 2020 SEASON

The table below shows the comparative standover figures in various mill areas for last three seasons:

Mill	2018 Season	2019 Season	2020 Season
Lautoka	11,046	8,267	3,225
Rarawai	140	2,910	4,555
Labasa	8,330	5,055	6,400
Total	19,516	16,232	14,180

The standover crop in all mill areas was mainly due to non-availability of cane cutters, lack of interest in the growers, absentee growers and the adverse weather condition during the last two/three weeks of the season. Also few remote rail sectors were affected by poor rail transport performance and had standover cane despite putting in extra effort, opting for conversion and mechanical harvesting towards the tail end of the season.



Tractor Towed by Bullocks



Cane Reloading Due to Wet Fields

MECHANICAL HARVESTING

In 2020 crushing season, 36% (613,974 tonnes) of the crop was harvested using mechanical harvesters. A total of 89 machines operated during the season in the three mill areas. The COVID-19 Pandemic also had adversely impacted the harvester owners while preparing for the crushing season. Since the international borders were closed, Indian harvester operators and technicians could not come which caused delay in preparing the machines for the new season. FSC and SCGC had to collaborate with harvester owners to train locals for operating the harvester. As the season progressed, mechanical harvesting stabilized with locals operating the machines and the overall cane supply to the factory improved significantly.



Mechanical Harvester in Operation

The table below shows the billet cane for past three years from respective mill areas:

Area	2017	2018	2019	2020
Lautoka	110,965	150,934	202,871	180,577
Rarawai	88,877	159,386	184,105	192,116
Labasa	107,171	176,718	242,786	241,281
Total	307,013	487,038	629,762	613,974



Meeting with Mechanical Harvester Operators in Rarawai

CANE ACCESS ROAD

The Cane Access Road (CAR) maintenance works in all the mill areas progressed well with funds allocated under the CAR budget support provided through Ministry of Sugar. Upon conclusion of the project, 100% of the access roads earmarked for repairs were completed. This season five crossings were also approved for construction. Some road committees and growers were also assisted with culverts to construct small crossing in cane access and infield roads.

The CAR National Steering Committee provided policy guidelines on the utilization of the Government grant. The actual planning, monitoring and assessing of the task was headed by FSC with the assistance of personnel from Ministry of Sugar Industry and Sugar Cane Growers Council. Under this program, the total cost of each road, crossing maintenance and supply of culverts was paid through the CAR grant funds.

Once again the CAR infrastructure sustained substantial damage during TC Yasa and TC Ana that brought a lot of rain which caused flooding in most of the cane belt areas. Many growers took own initiative to repair the roads to make it temporarily accessible, however grant funds were allocated in 2021 budget to maintain the damaged roads.

The table below shows the grant allocation for repair of CAR in preparation for 2021 crushing season:

MILL	Total Allocation		
	No. of Roads	Km	Cost
Lautoka	970	1,161.1	\$518,608
Rarawai	1,321	1,405.8	\$666,698
Labasa	1,047	800.6	\$498,444
All Mills	3,338	3,367.5	\$1,683,750



CAR washed away Pappa Raju Road Nanuku



Road repaired under the CAR Project



Growers of Waiqele Sector Repairing Road after TC Ana

CANE PRICE & PAYMENTS

For the 2020 season, Growers received a total payment of \$82.06 per tonne of cane against the forecast price of \$64.17/ton. The growers received 60% (\$38.50) of the forecast price in the delivery payment. The second cane payment of 20% (\$12.83) of the forecast was received five weeks after termination of crushing in each mill. A third and fourth cane payment of \$8.37 and \$10.31 respectively were later paid to the growers with the final cane payment of \$12.05 paid for the year 2020.

The cane price for the past fifteen (15) years are listed below: -

CANE PRICE								
Season	Forecast	Delivery	Second	Special	Third	Fourth	Final	Total
2007	43.76	26.26	8.75	4.00	6.59	12.44	1.61	59.65
2008	46.26	27.76	9.25	4.00	4.02	12.44	2.23	59.70
2009	61.17	36.70	12.23	-	5.03	2.26	0.37	56.59
2010	45.67	27.40	9.13	-	3.50	6.54	2.59	49.16
2011	52.20	31.32	10.44	-	10.18	11.39	2.34	65.67
2012	53.55	32.13	10.70	4.00	11.50	20.40	3.09	81.82
2013	62.58	37.55	12.52	5.00	12.00	15.05	6.37	88.49
2014	62.70	37.62	12.54	-	15.13	15.00	0.71	81.00
2015	62.70	37.62	11.14	4.80	9.88	11.12	2.10	76.66
2016	65.69	39.42	13.14	3.05	9.28	10.57	6.54	82.00
2017	65.63	39.38	13.13	-	13.45	15.14	3.90	85.00
2018	66.08	39.65	13.22	-	8.15	12.50	11.48	85.00
2019	63.17	37.90	12.63	-	11.00	13.73	7.62	82.88
2020	64.17	38.50	12.83	-	8.37	10.31	12.05	82.06
2021	54.36	38.50	12.83	-	11.00	15.15	4.45	81.93

SERVICES PROVIDED TO GROWERS

WEEDICIDE DISTRIBUTION

The Council facilitates the distribution of weedicide to growers from the 8 district offices located in the Sugar cane belt areas. The price of weedicide was subsidised by 55% through government grant program and growers had to pay only 45% of the total price of each commodity. FSC issues orders to individual growers under farm input advance platform and SCGC facilitate the weedicide delivery to growers.

Weedicides	Subsidy	Grower Price
Amine	\$22.65	\$18.53
Diuron	\$11.43	\$9.35
Valpar King	\$15.43	\$12.63
Glufosinate	\$32.43	\$26.53
Glyphosate	\$15.72	\$12.86

Uptake of weedicides by respective district for the year listed below:

District	Diuron Value	Amine Value	Glyphosate Value	Glufosinate Value	Valpar Value	Total Sales
Rakiraki	\$ 106,874	\$ 80,609	\$ 11,023	\$ 50,248	\$ 40,728	\$ 289,482
Tavua	\$ 50,648	\$ 60,957	\$ 7,052	\$ 36,983	\$ 48,473	\$ 204,113
Ba	\$ 221,943	\$ 197,323	\$ 22,262	\$ 87,125	\$ 147,771	\$ 676,424
Lautoka	\$ 126,609	\$ 97,435	\$ 7,284	\$ 39,424	\$ 50,505	\$ 321,255
Nadi	\$ 126,215	\$ 95,111	\$ 10,755	\$ 45,207	\$ 30,020	\$ 307,309
Sigatoka	\$ 25,526	\$ 33,492	\$ 5,115	\$ 6,181	\$ 22,315	\$ 92,630
Labasa	\$ 123,316	\$ 181,425	\$ 36,092	\$ 71,339	\$ 71,605	\$ 483,777
Seaqaqa	\$ 34,534	\$ 61,730	\$ 8,275	\$ 18,624	\$ 74,624	\$ 197,787
Total	\$ 815,666	\$ 808,082	\$ 107,858	\$ 355,131	\$ 486,041	\$ 2,572,777

Amine is a post-emergent weed killer used to eliminate broadleaf weeds and brush.

Diuron is a post-emergent, non-selective herbicide designed to control various types of grasses and broadleaf weeds. It can also be used as a selective pre-emergent herbicide in croplands. It controls barnyard grass, crabgrass, quack grass, pigweed, horseweed, and more.

CANE CUTTING KNIFE

Council has continued to assist growers by facilitating Sale of Cane knives from all its 8 district offices at a very affordable price of \$18 per set. Since 1st of August 2020 till 31st July 2021, SCGC has sold a total of 1179 knife sets to growers. In June 2021, SCGC also supplied 5000 knife sets to Rarawai Penang Cane Producers Association (RPCPA) under their annual premium plan for distribution to their members.

District	Lautoka	Nadi	Sigatoka	Ba	Tavua	Rakiraki	Labasa	Seaqaqa	RPCPA	Total
Quantity Sold	275	410	156	144	132	14	45	3	5,000	6,179

LEGAL SERVICES TO GROWERS

SCGC provides a wide range of legal services to the cane growers at a very reasonable cost. The demand for our legal services is increasing with not only in conveyancing matters but also growers tend to come and seek legal advice and also request for mediation with the lawyer. For the 2021 financial year, SCGC has provided legal services to 2899 growers.

The number of legal services provided from 1st August 2020 to 31st July 2021.

LEGAL SERVICES – 1ST AUGUST 2020 TO 31ST JULY 2021		
	INSTRUMENTS	NUMBERS
1	Probates/Letters of Administration	151
2	Transmission By Death/Transfer of Farm/Lease Ownership	264
3	Powers of Attorney (POA)/Revocation of Powers of Attorney	298
4	Wills and Testament	336
5	Deed Of Appointment/Retirement	6
6	Request for Provisional Title/Lease & Instrument of Tenancy	24
7	Sales And Purchase Agreement Contracts	77
8	Legal Advice, Notices and Enquires	1,321
9	Referrals - Grower Governance/Legal Related/Mediation	422
	TOTAL	<u>2,899</u>



<ul style="list-style-type: none"> Grant Probate Letters of Administration Letters of Administration de bonis non (with or Without Will) Letters of Administration with Will 	<ul style="list-style-type: none"> Transfer Sales and Purchase Agreement By way of Administration Transmission By Death Deed of Family arrangement/ Deed of Renunciations Deed of Gift By natural Love and Affection 	<ul style="list-style-type: none"> Will Power of Attorney Revocation of Power of Attorney Amendment of cane Contract Card New cane registrations Transfer of cane contract Registrations 	<ul style="list-style-type: none"> Tenancy Agreements Employment Contracts Farm Management Agreements Letters Mediation for grower disputes Agreements Deed of appointment and retirement
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CANE LEASE

The Council continue to act on behalf of the grower and engages in negotiations with the iTaukei Land Trust Board and the Department of Lands and Mineral Resources to amicably resolve the issues affecting the cane growers.

For Seaqaqa district high lease renewal premium remains a major challenge to growers whose leases are expiring within the next five years. Tenants are trying to seek loan assistance from SCGF and FDB to pay the premium. Many growers are having existing loans with the lending institutions and acquiring additional loan to pay for lease renewal premium is becoming difficult. Council has been negotiating with both iTLTB Head office and Regional office on behalf of the growers for the review of premium and renewal of leases. TLTB has commenced with the renewal process, however the progress is quite slow due to various reasons.

The pending cases with the Department of Lands and iTLTB is being regularly followed up to obtain latest progress and to update the growers concerned.



TLTB/SCGC/FSC Joint Consultation Meeting on Land Lease Renewal with Growers in Seaqaqa

GROWERS CONSULTATION

Sugar Cane Growers Council continues to conduct consultation and meetings with growers across the entire cane belt to hear their grievances/requests and collaborates with relevant institutions to provide timely assistance and redress. Council also facilitates financial literacy training for growers and advocates on grower's welfare initiatives such as micro bundled insurance and Parametric insurance.

Following issues were discussed and addressed:

- Crop development and Government grant funded projects.
- Importance of improving farm productivity to increase national cane production.
- Issues pertaining to Harvesting and transportation of cane, providing mediation.
- Monitoring and verification of cane access road maintenance works.
- Awareness on Government Support Programs.
- Stakeholder matters.
- Providing guidance to facilitate growers/cooperatives requests of obtaining loans from Sugar Cane Growers Fund (SCGF) and Fiji Development Bank for farm development and mechanization.
- Advocating on new initiatives to address grower's welfare.
- Advocacy on the Council's Services to growers.



GROWER SERVICES

SCGC provides various services to the sugar cane growers through its eight-district offices and Head office in Lautoka. These services are on demand basis and a total of 60,371 were served from 1st of August 2020 to 31st July 2021. The table below reflect the detailed report: -

Activities August 2020 - July 2021 Report										
Growers Services		Rakiraki	Tavua	Ba	Lautoka	Nadi	Sigatoka	Labasa	Seaqaqa	Total
1	Crop Management	107	111	110	270	337	130	298	193	1,556
2	Cane Contract	89	113	181	311	54	29	69	8	854
3	Lease/ Land/ Subdivision	113	90	20	38	2	8	43	1	315
4	Farm Income/ Tax/ VAT	374	275	697	363	187	191	1,171	197	3,455
5	Farm Advances/ Purchase	2,324	2,082	5,382	2,707	3,113	1,150	7,905	1,500	2,6163
6	Legal Matters	765	415	300	1,417	49	53	125	17	3,141
7	Grower Welfare	52	29	199	27	40	77	163	98	685
8	Harvesting & Transportation/ Cartage	605	847	1,172	716	870	269	1,157	318	5,954
9	Cane Payment	305	139	167	399	149	122	128	40	1,449
10	Consultation/ Meetings	237	365	422	267	178	223	692	152	2,536
11	General Inquires	1,698	2,253	2,324	2,964	1,067	713	2,378	866	14,263
Total		6,669	6,719	10,974	9,479	6,046	2,965	14,129	3,390	60,371



SEO Meeting Grower in Bulivou Sector



CPG Verification by SEO in Ellington 2

COVID- 19 PANDEMIC

The COVID-19 Pandemic continued to adversely impact the Sugar Industry. The restrictions imposed by local authorities in a bid to prevent the spread of the disease also affected growers in their harvesting preparation. Growers were unable to hold their gang meetings on time and faced lot of delays in securing cane cutters.

Restrictions on international travel and unavailability of flights due to COVID affected the importations of parts for farm machinery, mechanical harvesters and also parts for the sugar factories. This delayed the maintenance works on the plants and equipment which eventually delayed the whole operations. Qualified technicians and operators could not travel into Fiji, thus machines owners had to resort to resources available locally. SCGC and FSC collaborated with cooperatives and individual owners to train locals to operate the mechanical harvesters.

The cost of doing business had also escalated significantly with rise in cost of imported items and the rise in freight costs. The biggest hit was on fertilizer; the cost had actually doubled. Fortunately, the Government intervened by providing subsidy to cater for the increase in the cost per 50kg while growers continued to buy fertilizer at the same old rate.



Senior Executive Officer is having meeting with gang members during pandemic

GROWERS WELFARE

MICRO BUNDLED INSURANCE

The Bundled Insurance Product is the sole welfare initiative currently available to all active cane Growers at an annual preferential premium of \$52 per annum which equates to one dollar per week or 20c per day. Currently the premium is paid through deductions made from grower's share of sugar proceeds. The product comes as a rescue to our growers in time of dire mishap and provides cover for Term Life of \$3000, Funeral benefit of \$1000, House fire of \$3000 and Personal Accident of \$3000 for a total sum insured of \$10,000.

The total claim payout for the year 2021 was \$294,500 and a total of 85 growers and their families benefited from the remarkable scheme.

Summary of Claims – Micro Bundled Insurance (January 2021 to December 2021)		
Product	No. of Growers	Amount Paid
Funeral	13	\$13,000
Term Life/Funeral	67	\$268,000
Fire	4	\$12,000
Permanent Disability	1	\$1,500
Claims Paid for Year 2021	85	\$294,500



Spouse of the deceased receiving Micro Bundled Insurance claim payment from SCGC Staff.

PARAMETRIC INSURANCE

SCGC has collaborated with The UN Capital Development Fund (UNCDF) administered Pacific Insurance and Climate Adaptation programme (PICAP) and other aggregating partners in the implementation stage of Fiji's first Parametric Micro insurance product which is a market-based climate and disaster risk finance and insurance (CDRFI) instrument.

The objective of the Parametric Insurance is to cover loss of income of smallholder farmers, fishers and market vendors due to cyclone storms by offering weather index-based Micro insurance.

Climate Change is becoming a major factor affecting our growers' productivity impacting the Sugar Industry at large. There has been lack of resilience in practical tools to integrate climate change adaptation in strategies which needs a change to mitigate the impact. Fiji's First Parametric Micro Insurance product is a mitigation relief which will cover the loss of income for Cane growers due to cyclone storms by offering weather index-based Micro insurance.

This is also a learning opportunity for our Cane Growers as we unpack the challenges of meaningfully reaching out on Financial Literacy and delivering the benefits of micro insurance such as Parametric Insurance, Climate and Disaster Risk Financing and Bundled Micro Insurance cover for all cane farmers. Growers having opportunity to learn the importance of financial resources and financial skills, including personal financial management, budgeting, investment, savings and awareness on the importance of micro insurance.



SEO Lautoka Conducting Financial Literacy Training with Growers

AGRICULTURE SHOW IN NADI

Sugar Cane Growers Council participated in the 2020 Agriculture Show hosted by Ministry of Agriculture, Fisheries and Forests at Koroivolu Park, Nadi from 28th-30th October 2020. This year's theme for the Agriculture Show was "Grow, Nourish, Sustain, and Together". The intention of participation in the Agriculture Show was to use the platform to remind the public and in particular, the existing and potential cane growers about the many services we provide to our growers to assist them in their day-to-day farming activities.

Our Agriculture sector has strived to perform consistently despite the COVID-19 pandemic. This indicates that despite challenges faced in the global economy, agriculture will remain an important sector for economic development and gross domestic contributions. It also promotes a healthy nation by guaranteeing a sustainable supply of fresh, healthy and nutritious Fijian Grown produce.



Assistant Ministry for Agriculture attended Agriculture Show

FARMERS INVESTMENT SCHEME

The Council is proud to announce that it has also delivered the third element of the financial inclusion; the savings investment through the introduction of the Farmers Investment Plan with Unit Trust of Fiji [UTOF].

The cane growers would now be able to invest with the Unit Trust of Fiji for the future.

Savings is a very useful tool for self-financing of investments, emergencies and consumption-smoothing. This product of Unit Trust of Fiji promotes and motivates cane growers to invest. This is a first such opportunity created jointly between the Council and the Unit Trust of Fiji for the benefit of our growers and their families for rainy days with promising returns.

The terms and conditions of Farmers Savings Plan is very encouraging, flexible and with no withdrawal or miscellaneous fees. Growers have the privilege to invest from their proceeds through direct deduction arrangements with FSC and even make cash deposits, surpluses from the subsistence farming setups.

The Council will continue to support our growers and their well-being and will also facilitate the Farmers Investment Plan on behalf of the growers.



Unit Trust of Fiji and Sugar Cane Growers Council MOU Signing

IMPACTS OF CLIMATE CHANGE

Climate variability and climate change are projected to result in changes in sea levels, rainfall pattern, and the frequency of extreme high and low-temperature events, floods, and droughts. Sugarcane production has been adversely impacted by increases in the frequency and intensity of extreme environmental conditions such as severe tropical cyclones. Floods, cyclones and droughts has been increasing over the years and the increasing significance of climate change in the economic and social life of farmers needs attention. Yet there are no mechanisms to respond to and mitigate these.

The degree of climate change and its impact on sugarcane is associated with geographic location and adaptive capacity. The impact of change in weather patterns is visible in the timing of cane planting. Growers are dependent on climate and meteorological data to determine the best times for planting, harvesting and deciding on suitable sugarcane varieties for different soil types.

The Sugar Industry relies heavily on rainfall, which in recent years has become much localized. Some places receive too much rain while some do not receive rain at all. Long periods of drought have also affected sugarcane farms and most sugarcane growers have little provisions for irrigation facilities. Tropical cyclones have left greater impacts on sugar production.

Sugarcane farming is based on process and certain level of rainfall is required for each phase of the sugarcane life cycle. Rainfall and temperature in correct measures contribute to a good crop. 'Mana' sugarcane variety predominately grown in Viti Levu, requires enough sunlight and just the right amount of rainfall and temperature for sugar content to increase.

When the crop is approximately five to six months old, sugarcane is meant to grow in height. The cane takes on nutrients from the soil, sunlight and temperatures must be approximately 16°. A decrease in temperature to 13°C sets in the premature process of sucrose accumulation that should take place when the cane is 9 months old. Thus the yield by weight decreases, resulting in sugarcane being underdeveloped.

Rainfall outlooks also affect mill operations. When the rainfall outlook is above average during harvesting season, the mill operation is likely to be longer as there would be a significant hindrance in harvesting and transportation of harvested cane to the mills in wet condition.

TROPICAL CYCLONE YASA

Severe Tropical Cyclone Yasa made landfall over the southern parts of Bua in Vanua Levu as category 5, on December 17th, 2020 and had also affected the entire cane belt in the Northern Division. TC Yasa had a huge humanitarian impact and affected population in high risk areas exposed to impacts generated from hazards linked to this meteorological event. Extensive damages were inflicted on human lives, properties such as main dwellings together with labour camps and infrastructures, livestock and agriculture, disruption in communication networks, power shut down, communities being cut off due to flooding and land slide and coastal inundation due to storm surge and wind driven waves. The 2021 crop forecast for Labasa mill was 690,000 tonnes. Due to the devastation caused by TC Yasa, it was revised to 445,600 tonnes, a decrease of 244,400 tonnes or 35%. Parts of Bucaisau and Wailevu flats were affected by significant seawater ingress. It is suspected that there was salt-water intrusion due to floodgate failure. Of the 1,476.9ha water logged, 235ha has been affected by salt-water ingress and required replanting. Debris – tree branches, roofing iron and other debris have been blown into the fields.



Damage sustained to crop due to high intensity winds during the cyclone.



Crop damage due to seawater intrusion during the cyclone.

SUGAR CANE GROWERS COUNCIL

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

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**SUGAR CANE GROWERS COUNCIL
MEMBER'S REPORT
FOR THE YEAR ENDED 31 JULY 2021**

In accordance with a resolution of the stakeholders, the Council herewith submit the statement of financial position of Sugar Cane Growers Council ("the Council") as at 31 July 2021, the related statement of comprehensive income and accumulated funds and statement of cash flows for the year ended on that date and report as follows:

Members

The name of the Members at the date of this report and at any time during the financial year and up till the date the financial statements were authorised for issue are as follows:

- ▶ Sanjay Kumar (completed term on 31st December 2020)
- ▶ Abdul Samim
- ▶ Ami Chandra
- ▶ Devend Dharmend Nath
- ▶ Radha Krishna
- ▶ Mesake Ledua
- ▶ Uraia Rainima
- ▶ Reshmi Kumar (appointed on 1st January 2021)

State of affairs

In the opinion of the Members the accompanying statement of financial position gives a true and fair view of the state of affairs of the Council as at 31 July 2021 and the accompanying statement of comprehensive income and accumulated funds and the statement of cash flows give a true and fair view of the results, changes in funds employed and cashflows of the Council for the year then ended.

Principal activity

The principal business activity of the Council are outlined under Section 1.2 of the Sugar Industry Amendment Bill 2015 which is to ensure the protection and development of the sugar cane industry. There were no significant changes in the nature of the activities of the Council during the financial year.

Results

The total comprehensive income for the year amounted to \$113,616 (2020: \$1,083).

Current assets

The Members took reasonable steps before the Council's financial statements were made out to ascertain that the current assets of the Council were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of business.

As at the date of this report, the Members are not aware of any circumstances, which would render the values attributed to current assets in the Council's financial statements misleading.

Receivables

The members took reasonable steps before the Council's financial statements were made out to ascertain that all known bad debts were written off and adequate allowance was made for impairment loss.

At the date of this report, the Members are not aware of any circumstances which would render the above assessment inadequate extent.

Related party transactions

All related party transactions have been adequately recorded in the financial statements.

Basis of accounting

The Members believe the basis of the preparation of the financial statements is appropriate and that the Council will be able to continue in operation for at least twelve months from the date of this statement. Accordingly, the Members believe the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate.

**SUGAR CANE GROWERS COUNCIL
MEMBER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

Unusual transactions

Apart from these matters and other matters specifically referred to in the financial statements, in the opinion of the Members, the results of the operations of the Council during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of a material unusual nature likely, in the opinion of the Members, to affect substantially the results of the operations of the Council in the current financial year, other than those reflected in the financial statements.

Impact of covid-19 pandemic on the Council

During the financial year, on 19 April 2021, in response to the COVID-19 pandemic, the Government announced a number of measures including lockdown of certain containment areas within Viti Levu. Under the lockdown restrictions, all non-essential businesses are required to be closed unless the workplace was deemed part of a permitted industry as set out by the Government. The introduction of these restrictions have not had a material effect on the Council's financial statements at 31 July 2021.

COVID-19 has not had a major impact on the operations of the Council. The Council continues to operate at our original planned or expected levels. As at the date of these financial statements, the Council has factored in its forecasts the anticipated effects of COVID-19 on its operations based on conditions at this time. While the Council's current year results have reflected the effects of COVID-19 through end of July 2021, the longer-term impact of COVID-19 situation will depend on future developments and Governments' varying effort which the Members and management will continue to monitor.

Apart from the exception above, no other matter or circumstances have arisen during the financial year which significantly affected the operations of the Council.

Events subsequent to balance sheet date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Council, the results of those operations, or the state of affairs of the Council in future financial years.

Other circumstances

As at the date of this report :

- (i) no charge on the assets of the Council has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) no contingent liabilities have arisen since the end of the financial year for which the Council could become liable; and
- (iii) no contingent liabilities or other liabilities of the Council has become or is likely to become enforceable within the year of twelve months after the end of the financial year which, in the opinion of the Member, will or may substantially affect the ability of the Council to meet its obligations as and when they fall due.

As at the date of this report, the Members are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Council's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Council misleading or inappropriate.

For and on behalf of the stakeholders in accordance with a resolution of the Members this 7th day of June 2022.



Council member



Council member

Independent Auditor's Report

To the Members of Sugar Cane Growers Council

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sugar Cane Growers Council ("the Council"), which comprise the statement of financial position as at 31 July 2021, and the statement of comprehensive income and accumulated funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Council as at 31 July 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Council in accordance with the International Ethics Standards Board for Accountant's *Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Fiji and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Members are responsible for the other information. The other information comprises the Members' report but does not include the financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance for the Financial Statements

The management and those charged with governance are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs, and for such internal control as the management and those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management and those charged with governance are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management and those charged with governance either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


Ernst & Young
Chartered Accountants


Shaneel Nandan
Partner
Nadi, Fiji
7 June 2022

**SUGAR CANE GROWERS COUNCIL
STATEMENT OF COMPREHENSIVE INCOME AND ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 JULY 2021**


	Notes	2021 \$	2020 \$
Sale of weedicide		2,360,346	2,562,171
Cost of sales -weedicide		(2,386,957)	(2,592,212)
Gross loss		(26,611)	(30,041)
Grant income	2.1	601,488	608,855
Other income	2.2	474,451	374,769
Administrative expenses	2.3	(546,867)	(552,724)
Other operating expenses	2.4	(431,885)	(436,323)
		70,576	(35,464)
Finance income	2.6	43,040	36,547
Surplus before income tax		113,616	1,083
Income tax expense		-	-
Net surplus for the year		113,616	1,083
Other comprehensive income		-	-
Total comprehensive income for the year, net of tax		113,616	1,083
Accumulated fund at the beginning of the year		3,631,146	3,630,063
Accumulated fund at the end of the year		3,744,762	3,631,146

The accompanying notes form an integral part of the statement of comprehensive income and accumulated funds.


**SUGAR CANE GROWERS COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2021**

	Notes	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	3	1,406,470	1,246,228
Held to maturity investments	4	1,050,000	650,000
Inventories	7	60,292	34,005
Receivables	5	1,660,357	1,061,025
Prepayments	6	100,001	74,229
Investments	8	-	400,000
		<u>4,277,120</u>	<u>3,465,487</u>
Non-current assets			
Property, plant and equipment	9	966,775	1,070,737
Intangible assets	10	5,495	5,409
Investments	8	367,844	355,523
Held to maturity investments	4	100,000	100,000
		<u>1,440,114</u>	<u>1,531,669</u>
Total assets		<u>5,717,234</u>	<u>4,997,156</u>
Current liabilities			
Deferred income	12	4,311	6,442
Trade and other payables	11	1,924,258	1,312,629
Unexpended project fund	13	4,167	4,167
Employee benefits liability	14	37,297	35,238
		<u>1,970,033</u>	<u>1,358,476</u>
Non-current liabilities			
Deferred income	12	-	4,311
Employee benefits liability	14	2,439	3,223
		<u>2,439</u>	<u>7,534</u>
Total liabilities		<u>1,972,472</u>	<u>1,366,010</u>
Net assets		<u>3,744,762</u>	<u>3,631,146</u>
Funds employed			
Funds employed		3,744,762	3,631,146
Total funds employed		<u>3,744,762</u>	<u>3,631,146</u>

Signed on behalf of the Board.



Council member



Council member

The accompanying notes form an integral part of the statement of financial position.

**SUGAR CANE GROWERS COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021**

	Notes	2021 \$	2020 \$
Operating activities			
Receipts of growers levy from Fiji Sugar Corporation		336	2,841
Receipts from weedicide sales		1,760,678	3,171,413
Government grant received		595,046	595,044
Other receipts		862,130	392,066
Payments to suppliers and employees		(2,682,999)	(3,845,426)
Net cash from operating activities		535,191	315,938
Investing activities			
Interest received	2.6	43,040	36,547
Acquisition of property, plant and equipment and software		(17,989)	(11,121)
Investment in term deposits		(400,000)	-
Net cash flows (used in)/from investing activities		(374,949)	25,426
Net increase in cash and cash equivalents		160,242	341,364
Cash and cash equivalents at 1 August		1,246,228	904,864
Cash and cash equivalent at 31 July	3	1,406,470	1,246,228

Material non-cash investing activity related to re-investment of dividend income earned in Unit Trust of Fiji (refer note 16).

The accompanying notes form an integral part of the statement of cash flows.

**SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

1.1 Reporting entity

The financial statements of Sugar Cane Growers Council for the year ended 31 July 2021 were authorised for issue in accordance with a resolution of the Council members on 7th June 2022. Sugar Cane Growers Council ("the Council") is a body corporate domiciled in Fiji, established under the Sugar Industry Amendment Bill 2015. The address of the Council's registered office is 75 Drasa Avenue, Lautoka.

The principal activity of the Council is described in Note 22.

1.2 Basis of preparation of financial statements

The financial statements of the Council have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board.

The financial statements have been prepared on a historical cost basis except where stated.

1.3 Summary of significant accounting policies

(a) Foreign currency translation

The Council's financial statements are presented in Fijian dollar, which is also the Council's functional currency. Transactions in foreign currencies are initially recorded by the Council at the functional currency rates prevailing the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the currency rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured.

(b) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured in accordance with realisation principle, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and consumption tax. The following specific criteria must also be met before revenue is recognised:

Levy income

Levy income for any financial year is approved by the Council and certified by the Tribunal Accountant at the beginning of the crushing season in accordance with Sections 51 and 53 of the Sugar Industry Act of 1984 and recorded in profit or loss on an accrual basis. Growers levies are determined under the Master Award and regulated under the Sugar Industry Act 1984 s(53). The collection of levies by the Fiji Sugar Corporation is deducted from the grower's share of proceeds of sale of sugar, molasses and other by-products. Effective 1 January 2016, the growers levy was replaced by the government grant to meet the administrative and operational expenses of the Council.

Sale of weedicide

Revenue from sale of weedicide is measured at the fair value of the consideration received or receivable. Revenue is recognised when significant risks and rewards of ownership have been transferred to the buyer.

Government and European Union Grant

Grants from the Government and the Pacific Community are recognised at their fair value where there is a reasonable assurance that the grants will be received and the entity will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they intended compensate.

Other income

Other income from operating activities are recognised in profit or loss on an accrual basis.

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

1.3 Summary of significant accounting policies (continued)

(b) Revenue recognition (continued)

Dividend income

Dividend income is recognised from investment in South Pacific Fertilizer Pte Limited. The Council has 9.4% stake in the company. This investment was written down in the accounts in prior years considering the going concern risk of the investee.

Rental income

Rental income from hire of hall and office premises are recognised in profit or loss on an accrual basis.

(c) Income tax

The Council is exempt from income tax by virtue of sub-regulation (2) of part 7 of the Income Tax (Exempt Income) Regulations 2016.

(d) Financing income

Finance income comprises interest received on the term deposits held. Interest income is recognised as it accrues in profit or loss.

(e) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with carrying amount of the property, plant and equipment, and is recognised net within other income/ other operating expenses in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Council. Ongoing repairs and maintenance is expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Council will obtain ownership by the end of the lease term.

The depreciation rates for the current and comparative year is as follows:

Asset	Rate
▶ Fixtures and fittings	25%
▶ Plant and equipment	25%
▶ Motor vehicles	25%
▶ Leasehold land and building	1.25% - 5%
▶ Land	Freehold

(f) Financial Instruments

(i) Non- derivative financial asset

The Council generally recognises loans and receivable on the date that they are originated. All other financial assets (including assets designed as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Council becomes a third party to the contractual provisions of the instrument.

**SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021**

1.3 Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

(i) Non-derivative financial asset (continued)

The Council derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of the ownership of the financial asset are transferred. Any interest in the transferred financial asset that is created or retained by the Council is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when and only when the Council has a legal right to offset the amounts and intends either to offset the amounts and settle on a net basis or to realise the asset and settle the liability simultaneously.

The Council classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held to maturity financial assets and loans receivable.

Trade and other receivables

Sales are generally on the basis of normal credit terms, and the receivables do not bear interest. Trade receivables are initially measured at their transaction price. Where credit is extended beyond normal credit terms or otherwise the arrangement constitutes a financing transaction, receivables are initially measured at present value of the future payments discounted at a market rate of interest for a similar debt instrument. Subsequently measurement is at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and on hand and short-term deposits with a maturity of three months or less. For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

Held to maturity financial assets

If the Council has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held to maturity. Held to maturity financial assets recognised initially at fair value plus any directly attributable transaction costs. Held to maturity financial assets comprise of term deposits.

Financial assets at fair value through profit and loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Council manages such investments and makes purchases and sale decisions based on their fair value in accordance with the Council's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Financial assets at fair value through profit or loss comprise of investments in Unit Trust of Fiji.

(ii) Non-derivative financial liability

Financial liabilities are recognised initially on the trade date at which the Council becomes a party to the contractual provisions of the instrument.

The Council derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

1.3 Summary of significant accounting policies (continued)

(f) Financial Instruments (continued)

(ii) Non-derivative financial liability (continued)

The council classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise of payable and other accruals.

(g) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Financial assets measured at amortised cost

The Council considers evidence of impairment for financial assets at amortised cost at a specific asset level.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss.

(ii) Impairment of non-financial assets

The Council assesses at each reporting date whether there is an indication that an asset may be impaired. Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(h) Employee benefits

(i) Defined contribution plan / superannuation

Contributions are paid to the Fiji National Provident Fund on behalf of employee's to secure retirement benefits. Costs are included in profit or loss as the service is provided by the employee.

(ii) Annual leave and long service leave

Annual leave and long service leave with respect to employee's services up to the reporting date, measured at the amounts expected to be paid when the liabilities are settled, are accrued for under employee benefits. Long service leave is payable once the staff has served for more than 10 years or 15 years.

(iii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in profit or loss as the related service provided.

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

1.3 Summary of significant accounting policies (continued)

(h) Employee benefits (continued)

(iii) Short-term benefits (continued)

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are recognised in other payables on the statement of financial position.

(i) Inventories

Inventories include weedicide. Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

The cost of inventories is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(j) Deferred income

Computer equipment acquired via donation from the European Union are capitalised and depreciated in accordance with Note 1.3 (e), with the related grant being credited to deferred income as the liability and released to profit or loss over the expected useful economic life.

(k) Unexpended project funds

Unutilised donor monies at year end used for cash grant which is received for utilization in more than one financial period is treated as unexpended project funds.

(l) Intangibles

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

(m) Leases

Leases are classified as operating leases. Rental payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

(n) Value Added Tax (VAT)

The Council complies with VAT under the Second Schedule of the VAT Decree 1991.

(o) Comparative figures

Comparative figures have been amended where necessary, for changes in presentation in the current year.

	2021	2020
	\$	\$
2. Revenue and expenses		
2.1 Grant income		
Government - Sugar levy	595,046	595,046
- Small Grant Scheme (refer Note 2.4)	-	7,367
	595,046	602,413
 The Pacific Community - Donated assets	 6,442	 6,442
Grant income	601,488	608,855

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

2. Revenue and expenses (continued)	2021	2020
2.2 Other Income	\$	\$
Dividend income	84,377	78,069
Gain/(loss) on investments carried at fair value	3,146	(38,966)
Rental income	120,753	109,976
Legal income	59,198	76,209
Knife sales	96,599	18,717
Directors fees and half hire	11,901	24,513
Weedicide administration fee	98,477	106,251
	<u>474,451</u>	<u>374,769</u>
2.3 Administrative expense	\$	\$
Bank charges	1,502	979
Meeting costs	9,670	12,145
Personnel expenses (refer note 2.5)	535,695	539,600
	<u>546,867</u>	<u>552,724</u>
2.4 Other operating expenses	\$	\$
Advertising	925	1,447
Audit fees	6,330	6,630
City rates	440	683
Cleaning	8,275	9,445
Depreciation and amortisation	121,865	125,247
Donation	-	100
Electricity	21,898	21,606
Fringe benefit tax	2,326	2,356
Growers accountant's fees	5,000	5,000
Hospitality	3,504	2,161
Insurance	17,364	18,442
Information technology	4,402	3,780
Legal department expenses	27,680	45,270
Medical expenses	13,634	14,101
Motor vehicle expenses	21,937	23,348
Office expenses	9,852	16,112
Postage	3,105	3,257
Professional services	700	25,141
Purchase of knives	84,066	15,070
Rent	43,741	44,124
Repairs and maintenance	2,969	7,392
Security expenses	3,087	4,591
Staff training	739	513
Stationery and printing	10,133	14,246
Subscriptions	3,083	4,647
Small Grant Scheme supplier payments	-	7,367
Telephone	14,282	13,769
Water rates	548	478
	<u>431,885</u>	<u>436,323</u>

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

	2021	2020
2.5 Personnel expenses	\$	\$
Annual and long- service leave	24,408	13,873
Fiji National Provident Fund (FNPF) contributions	19,644	32,177
Key management compensation - short term benefit - FNPF	122,370	132,063
Fiji National University Levy	9,124	14,927
Wages and salaries	5,110	5,171
	<u>355,039</u>	<u>341,389</u>
	<u>535,695</u>	<u>539,600</u>
2.6 Finance income	\$	\$
Interest income	43,040	36,547
3. Cash and cash equivalents	\$	\$
Cash at bank	1,404,668	1,244,426
Cash on hand	1,802	1,802
Cash and cash equivalents in the cash flow statements	<u>1,406,470</u>	<u>1,246,228</u>
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the statement of cash flows comprise of the following statement of financial positions amounts:		
	\$	\$
Cash at bank and on hand	<u>1,406,470</u>	<u>1,246,228</u>
4. Held to maturity investments	\$	\$
Current	1,050,000	650,000
Non-current	100,000	100,000
	<u>1,150,000</u>	<u>750,000</u>
The interest rate on term deposits ranges from 2.35% to 5.25% per annum (2020: 3.5% to 5.25% per annum). The deposits have an average maturity ranging from 71 days to 364 days (2020: 71 days to 304 days).		
5. Receivables	\$	\$
Growers levy receivable from The Fiji Sugar Corporation Limited	693,346	693,682
Less: Provision for doubtful debts	(693,346)	(693,682)
	<u>-</u>	<u>-</u>
	\$	\$
Receivable from the Fiji Sugar Corporation Limited for sale of weedicide	1,639,315	1,049,712
Other receivables	21,042	11,313
	<u>1,660,357</u>	<u>1,061,025</u>
<u>Movement in provision for doubtful debts</u>	\$	\$
Balance as at 1 August	693,682	696,523
Recoveries	(336)	(2,841)
Balance as at 31 July	<u>693,346</u>	<u>693,682</u>
6. Prepayments and Sundries	\$	\$
Prepayments	24,801	74,229
Sundry debtors	75,200	-
	<u>100,001</u>	<u>74,229</u>
7. Inventories	\$	\$
Weedicide	<u>60,292</u>	<u>34,005</u>

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

	2021	2020			
	\$	\$			
8. Investments					
<u>Unit Trust of Fiji</u>					
This represents investment in Unit Trust of Fiji of 161,335 units (2020: 334,302 units) at \$2.28 (2020: \$2.26)	367,844	755,523			
Reconciliation of Investment in Unit Trust of Fiji					
Balance as at 1 August	755,523	772,820			
Additions units acquired during the year	9,177	21,669			
Additions units re-purchased during the year	(403,542)	-			
Gain/(loss) on remeasurement investment to fair value	6,686	(38,966)			
Balance as at 31 July	367,844	755,523			
This is disclosed as:					
Current	-	400,000			
Non - current	367,844	355,523			
	367,844	755,523			
<u>Fiji Sugar Corporation</u>					
This represents investment in Fiji Sugar Corporation	29,850	29,850			
Less provision for impairment	(29,850)	(29,850)			
	-	-			
9. Property, plant and equipment					
<u>Cost</u>					
	Fixtures and Fittings	Plant and Equipment	Motor Vehicles	Land and Buildings	Total
As at 31 July 2019	131,114	459,490	353,854	1,359,381	2,303,839
Additions	2,137	4,678	-	1,431	8,246
Disposals	-	(51,084)	-	-	(51,084)
At 31 July 2020	133,251	413,084	353,854	1,360,812	2,261,001
Additions	1,821	15,430	-	-	17,251
At 31 July 2021	135,072	428,514	353,854	1,360,812	2,278,252
<u>Accumulated depreciation</u>					
As at 31 July 2019	121,411	427,382	175,737	391,768	1,116,298
Depreciation charge for the year	3,423	15,343	88,463	17,821	125,050
Disposals	-	(51,084)	-	-	(51,084)
At 31 July 2020	124,834	391,641	264,200	409,589	1,190,264
Depreciation charge for the year	3,988	15,390	84,659	17,176	121,213
At 31 July 2021	128,822	407,031	348,859	426,765	1,311,477
Net book value					
At 31 July 2021	6,250	21,483	4,995	934,047	966,775
At 31 July 2020	8,417	21,443	89,654	951,223	1,070,737
Donated assets included in plant and equipment (refer Note 12).					
10. Intangible assets	\$	\$			
Computer software	14,141	11,266			
Additions	738	2,875			
Less: accumulated amortisation	(9,384)	(8,732)			
	5,495	5,409			
11. Trade and other payables	\$	\$			
Payables and accruals	74,371	84,284			
South Pacific Fertilizers Pte Limited	1,847,827	1,226,479			
VAT payable	2,060	1,866			
	1,924,258	1,312,629			

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

12. Deferred income

Donated assets

Donor	Opening Balance	Funds Received during the year	Utilized during the year	Balance at 31 July 2021
	\$	\$	\$	\$
Pacific Community (EU)	10,753	-	(6,442)	4,311
Total	10,753	-	(6,442)	4,311
Disclosed as:			\$	\$
Current			4,311	6,442
Non-current			-	4,311
Total			4,311	10,753

13. Unexpended project fund

Donor	Opening Balance	Funds Received during the year	Utilized during the year	Balance at 31 July 2021
	\$	\$	\$	\$
Small Grant Scheme	4,167	-	-	4,167
Total	4,167	-	-	4,167

	2021	2020
	\$	\$
14. Employee benefits liability		
Balance at 1 August	38,461	51,804
Arising during the year	24,408	13,873
Leave utilised during the year	(23,133)	(27,216)
Balance at 31 July	39,736	38,461
This comprises of:	\$	\$
Annual leave (current)	37,297	35,238
Long service leave (non current)	2,439	3,223
	39,736	38,461

15. Related parties

(a) The Members

The names of the Members at any time during the financial year as follows:

- ▶ Sanjay Kumar (completed term on 31st December 2020)
- ▶ Abdul Samim
- ▶ Ami Chandra
- ▶ Devend Dharmend Nath
- ▶ Radha Krishna
- ▶ Mesake Ledua
- ▶ Uraia Rainima
- ▶ Reshmi Kumari (appointed on 1st January 2021)

(b) Identity of related parties

The Fiji Sugar Corporation Limited (FSC) and South Pacific Fertilizers Pte Limited are related parties by virtue of common Directorship and shareholding. Other related parties of the Council include key stakeholders in the Fiji Sugar Industry, namely, the Government of Fiji and Sugar Cane Growers Fund.

SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

15. Related parties (continued)	2021	2020
(c) Amounts receivable from / (payable to) related parties	\$	\$
Payable to South Pacific Fertilizers Pte Limited	(1,847,827)	(1,226,479)
Receivable from Fiji Sugar Corporation Limited for sale of weedicide	1,639,315	1,049,712
Growers levy receivable from The Fiji Sugar Corporation	693,346	693,682

(d) Transactions with relates parties

During the year, the Council entered into various transactions with related parties which were at normal commercial terms and conditions. The aggregate value of material transactions with the relates parties during the year is as follows:

	\$	\$
Purchase of weedicide from South Pacific Fertilizers Pte Limited	2,386,957	2,592,212
Sale of weedicide to the Fiji Sugar Corporation Limited	2,360,346	2,562,171
Sitting allowance to members	5,400	5,400
Rental income from Sugar Cane Growers Fund	120,753	109,976
Dividend income from South Pacific Fertilizer Pte Limited	75,200	103,400

(e) Transactions with key management personnel

Key management personnel includes the Chief Executive Office and General Manager Operations.

In addition to their salary, the Council also provides non cash benefits to the key management personnel. Key management compensation is disclosed in Note 2.5.

16. Material non- cash investing activity	\$	\$
Re- investment of dividend income earned in Unit Trust of Fiji	<u>9,177</u>	<u>21,669</u>

17. Commitments and contingencies

(i) There is a civil case and an employee dispute matter against the council in employment court. The Council members are defending the matters and are confident that no liability will arise.

(ii) Capital expenditure commitments - \$nil (2020: \$nil)

(iii) Finance lease commitments - \$nil (2020: \$nil)

(iv) Operating lease commitments

Rental agreement is scheduled as follows:

	\$	\$
Within one year	12,850	16,900
Later than one year and not later than five years	16,650	15,100
Later than 5 years	28,000	40,550
	<u>57,500</u>	<u>72,550</u>

18. Involvement with unconsolidated structured entity

The Council is 70% beneficiary of SK Trust which is administered by Sugar Industry Tribunal ("Trustee"). SK Trust holds all real and personal properties of the Sugar Commission of Fiji (dissolved) over the vested period of 21 years from the date of execution of the trust deed which was dated 30th August 2009. The Trustee has absolute and uncontrolled discretion in managing the Trust which includes controlling trust income payment, capitalization of unpaid income and payments of capital. No income has been distributed to the beneficiaries with undistributed income retained in the Trust as Trust funds.

At 31 December, the following unaudited balances relate to the Council's involvement with SK Trust:

	2019	2018
Particulars	\$	\$
Total assets	946,780	919,278
Total liabilities	(84,588)	(83,915)
Net assets	862,192	835,363
Council's interest	70%	70%
Council's beneficiary	<u>603,534</u>	<u>584,754</u>

**SUGAR CANE GROWERS COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021**

18. Involvement with unconsolidated structured entity (continued)

The Council concluded that it does not control, and therefore should not consolidate, its interest in SK Trust. The Council does not have power over the relevant activities of SK Trust.

19. Impact of covid-19 pandemic on the Council

During the financial year, on 19 April 2021, in response to the COVID-19 pandemic, the Government announced a number of measures including lockdown of certain containment areas within Viti Levu. Under the lockdown restrictions, all non-essential businesses are required to be closed unless the workplace was deemed part of a permitted industry as set out by the Government. The introduction of these restrictions have not had a material effect on the Council's financial statements at 31 July 2021.

COVID-19 has not had a major impact on the operations of the Council. The Council continues to operate at our original planned or expected levels. As at the date of these financial statements, the Council has factored in its forecasts the anticipated effects of COVID-19 on its operations based on conditions at this time. While the Council's current year results have reflected the effects of COVID-19 through end of July 2021, the longer-term impact of COVID-19 situation will depend on future developments and Governments' varying effort which the Members and management will continue to monitor.

Apart from the exception above, no other matter or circumstances have arisen during the financial year which significantly affected the operations of the Council.

20. Events subsequent to balance sheet date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Council, the results of those operations, or the state of affairs of the Council in future financial years.

21. Segment Information

Industry segment

The Council operates predominantly in the sugar industry.

Geographical segment

The Council operates predominantly in Fiji and is therefore one geographical area for reporting purposes.

22. Principal business activity

The principal business activity of the Council are outlined under Section 1.2 of the Sugar Industry Amendment Bill 2015 which is to ensure the protection and development of the sugar cane industry. There were no significant changes in the nature of the activities of the Council during the financial year.

Number of employees

As at balance date, the Council employed a total of 27 employees (2020: 27).

**SUGAR CANE GROWERS COUNCIL
DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 JULY 2021**

The additional financial information, being the attached detailed Income Statement has been compiled by management of Sugar Cane Growers Council.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than Sugar Cane Growers Council may suffer arising from any negligence on our part. No person should rely on the additional financial information without having an audit or review conducted.

**SUGAR CANE GROWERS COUNCIL
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 JULY 2021**

	2021	2020
	\$	\$
Income		
Sales	2,360,346	2,562,171
Cost of sales	(2,386,957)	(2,592,212)
Gross loss	(26,611)	(30,041)
Government grant	595,046	602,413
European Union grant	6,442	6,442
Dividend income	84,377	78,069
Loss/(gain) on investments carried at fair value	3,146	(38,966)
Interest income	43,040	36,547
Rental income	120,753	109,976
Legal income	59,198	76,209
Knife sales	96,599	18,717
Directors fees and hall hire	11,901	24,513
Weedicide admin fee	98,477	106,251
Total Income	1,092,368	990,130
Less: Expenditure		
Advertising	925	1,447
Audit fees	6,330	6,630
Bank charges	1,502	979
City rates	440	683
Cleaning	8,275	9,445
Depreciation and amortisation	121,865	125,247
Donation	-	100
Electricity	21,898	21,606
Fiji National Provident Fund contributions	28,768	47,104
Fiji National University Levy	5,110	5,171
Fringe benefit tax	2,326	2,356
Growers accountant's fees	5,000	5,000
Hospitality	3,504	2,161
Insurance	17,364	18,442
Information technology	4,402	3,780
Legal department expenses	27,680	45,270
Meeting costs- other	9,670	12,145
Medical expenses	13,634	14,101
Motor vehicle expenses	21,937	23,348
Office expenses	9,852	16,112
Postage	3,105	3,257
Professional services	700	25,141
Purchase of knives	84,066	15,070
Rent	43,741	44,124
Repairs and maintenance	2,969	7,392
Security expenses	3,087	4,591
Staff training	739	513
Stationery and printing	10,133	14,246

The detailed income statement is to be read in conjunction with the disclaimer on additional financial information on page 20.

**SUGAR CANE GROWERS COUNCIL
 DETAILED INCOME STATEMENT
 FOR THE YEAR ENDED 31 JULY 2021 (continued)**

	2021	2020
	\$	\$
Less: Expenditure (continued)		
Subscriptions	3,083	4,647
Small Grant Scheme supplier payments	-	7,367
Telephone	14,282	13,769
Wages and salaries	501,817	487,325
Water rates	548	478
Total expenditure	<u>978,752</u>	<u>989,047</u>
Net surplus	<u>113,616</u>	<u>1,083</u>

The detailed income statement is to be read in conjunction with the disclaimer on additional financial information on page 20.





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